

DOCKET FILE COPY ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Implementation of
Section 309(J) of
the Communications Act
Competitive Bidding

PP Docket No. 93-253

REPLY COMMENTS OF
LONG LINES, LTD.

RECEIVED
OCT 2 1993
MAIL BRANCH

Long Lines, Ltd. ("Long Lines"), by its attorneys, respectfully submits these Reply Comments in response to the Commission's Notice of Proposed Rulemaking in this proceeding.^{1/} As a small, midwestern company serving primarily rural subscribers, Long Lines urges the Commission to adopt an auction structure that ensures effective wireless competition throughout the nation, not just in large densely populated urban areas. To that end, it is crucial that the Commission permit combinatorial bids that will encourage the nation's most sophisticated telecommunications companies and consortia to serve smaller and rural markets.

Long Lines, Ltd. is a small business headquartered in Sioux City. Long Lines is the owner of Northwest Iowa Telephone Company, a small local exchange carrier serving 3,000 access lines in Sergeant Bluffs, Salix and Sloan, Iowa. Cellular service in these exchanges is currently provided by

No. of Copies rec'd 1 Copy
List A B C D E

^{1/} Implementation of Section 309(j) of the Communications Act Competitive Bidding, Notice of Proposed Rulemaking, PP Docket No. 93-253 (FCC 93-455 released Oct. 12, 1993).

ComNet 2000 and Sprint, both of which are very large, highly sophisticated companies.^{2/}

It is unrealistic to expect small businesses like Long Lines, acting alone, to offer successful PCS services in competition with dominant cellular companies owned by huge corporations with their virtually limitless technical and financial resources. Small companies like Long Lines cannot hope to muster even a fraction of the resources available to a competitor like ComNet or Sprint, let alone national cellular competitors like MobiLink and AT&T/McCaw.

This is why national combination bidding is so important to rural America. In the absence of national combination bidding, there is a real danger that the nation's most sophisticated telecommunications enterprises will seek to provide PCS services only in the more profitable urban centers. In rural areas, PCS would be provided only by smaller, less sophisticated and less capable entities. In the end, these small PCS ventures would not offer any real alternative to the existing, well-heeled cellular franchises in rural areas.

In contrast, national combination bidding allows for the best of all worlds for rural areas. It would give an incentive to the nation's largest and most sophisticated competitors to provide PCS service across the nation, including smaller and rural markets like those served by Long

^{2/} ComNet 2000 is owned by Cellular, Inc., a national telecommunications company whose shares are traded on the NASDAQ market.

Lines. By permitting nation-wide combinatorial bids by consortia, moreover, the Commission would permit small companies like Long Lines to participate in PCS competition as part of a group of companies enjoying a technical and financial resources impossible for small companies standing alone.^{3/}

Long Lines thus disagrees strongly with commenters who argue that combinatorial bidding is unfair to small companies^{4/} or would delay the provision of PCS services to rural areas.^{5/} Nothing could be further from the truth. Combinatorial bidding will permit small companies to associate themselves with nation-wide ventures that have the "know-how" and financial resources to promptly bring state-of-the-art PCS competition to rural America. What would be unfair is to forbid combinatorial bidding and thus force small companies like Long Lines to compete through PCS, on their own, against existing cellular enterprises like AT&T/McCaw.

Finally, Long Lines observes that combinatorial bidding is the only auction method that ensures licenses will

^{3/} Long Lines, for example, plans to participate in the PCS consortium being organized by MCI Communications Corporation. In doing so, Long Lines will play an important part in providing state-of-the art PCS competition across the United States. There is no question that by participating in the MCI consortium, Long Lines will bring its customers a form of PCS competition that would be impossible if Long Lines attempted to compete on its own.


^{4/} See, e.g., Sprint Comments, at 4-5; AT&T Comments, at 6-7; BellSouth Comments, at 7.

^{5/} See, e.g., McCaw Comments, at 18; AT&T Comments, at 4.

be assigned to the entities who value them most highly. Simple common sense dictates that the value of a license to any particular bidder will be affected significantly by the other licenses that bidder has secured.^{6/} Rural areas in particular are likely to be more valuable when viewed as part of a national service plan than as a stand-alone PCS franchise. Combinatorial bidding is the only practical mechanism that allows bidders to express the increased value individual licenses have when viewed interdependently with other, adjacent licenses.

Respectfully submitted

LONG LINES, LTD.

By: 

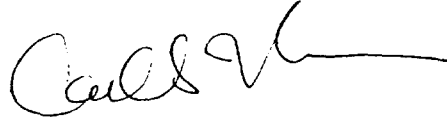
Michael H. Salsbury
Carl S. Nadler
JENNER & BLOCK
601 13th Street, N.W.
Washington, D.C. 20005
(202) 639-6025

Dated: November 30, 1993.

^{6/} See, e.g., NTIA Comments, at 6-7.

CERTIFICATE OF SERVICE

I, Carl S. Nadler, hereby certify that on this 30th day of November, 1993, copies of the foregoing "REPLY COMMENTS OF LONG LINES, LTD." in PP Docket No. 93-253 were served by first-class mail, postage prepaid upon the parties on list below.

A handwritten signature in cursive script, appearing to read 'Carl S. Nadler', written in black ink.

Carl S. Nadler